



## **INDUSTRIAL SPECIAL INDEMNITY FUND**

**Calendar Year 2003 Report  
Fiscal Year 2004 Report  
June 30, 2004**

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## BACKGROUND

The Industrial Special Indemnity Fund (ISIF) was adopted in 1927 by the Idaho State Legislature as part of the state's workers compensation system. The purpose of the ISIF, commonly referred to as the "second injury fund", is to encourage employers to hire disabled workers by offering the employer relief from total and permanent disability liability if the disabled worker is subsequently injured and becomes totally and permanently disabled.

The ISIF is codified as to its purpose and management at §72-323 §72-324 §72-331 §72-334.

Funding for the Industrial Special Indemnity Fund is provided by an annual assessment. The assessment is calculated two times the amount of ISIF's expenses incurred during the previous fiscal year less the existing cash balance. The total annual assessment is pro-rated semi-annually among the State Insurance Fund, self-insured employers, and sureties based on each entity's proportionate share of total indemnity benefits paid on open workers' compensation claims during each semi-annual reporting period. The Industrial Commission prepares the semi-annual notice of assessment for each responsible entity. The Commission also bills each entity its semi-annual assessment and collects the funds as they are remitted.

The assessment formula of funding replaced the levy system as of July 1, 1997 with the repeal of sections §72-327 and §72-328 and the addition of new sections §72-327 and §72-328. The assessment formula allows ISIF liability to be included in the workers' compensation premium collected by sureties.

Claimants, self-insured companies, sureties, or the Idaho State Insurance Fund may access the ISIF for potential liability relief by submitting a claim under the "60 day" rule, §72-334. During the 60 days from submission, the ISIF will undertake an in-house review of the claim for liability and either settle or deny the claim. At the conclusion of 60 days, either of the parties can elect to file a Complaint Against the Industrial Special Indemnity Fund (IC Form 1002). Upon service of a Complaint, the ISIF will refer the claim to outside legal counsel and commence formal litigation.

Settlement of claims may be concluded by lump sum, periodic monthly payments, or a combination of both with the approval of the Industrial Commission. While settlement may relieve sureties or self-insured employers of total and permanent disability liability, benefit payments are only made to claimants. The ISIF is liable for lifetime total and permanent disability benefits only; all other workers compensation benefits are excluded. Allocation of total and permanent disability liability between the employer/surety and the ISIF is made under the Carey apportionment formula. Cited *Carey v. Clearwater*.

Benefit rates for total and permanent disability, and hence ISIF liability, are specified at §72-408 and §72-409. In general total and permanent disability benefit is based at 60% or 45% of the average state weekly wage for injuries prior to July 1991, and 67% or 45% of the average state weekly wage for injuries occurring after July 1991. The minimum or

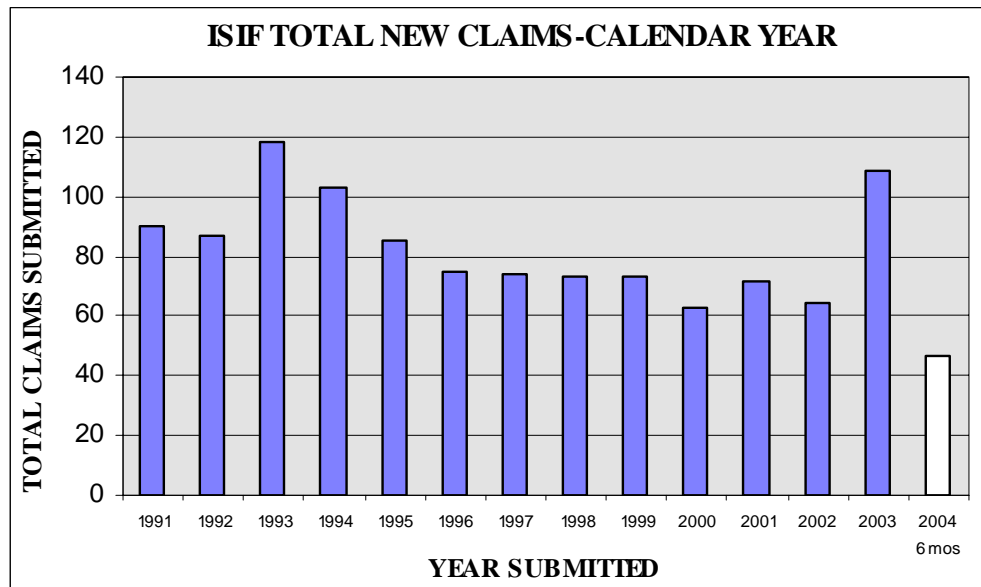
maximum benefit percentage is determined by the injured worker's average weekly wage. Benefits are paid at the determined percentage of the average state weekly wage for the year of benefit.

## OPERATIONS

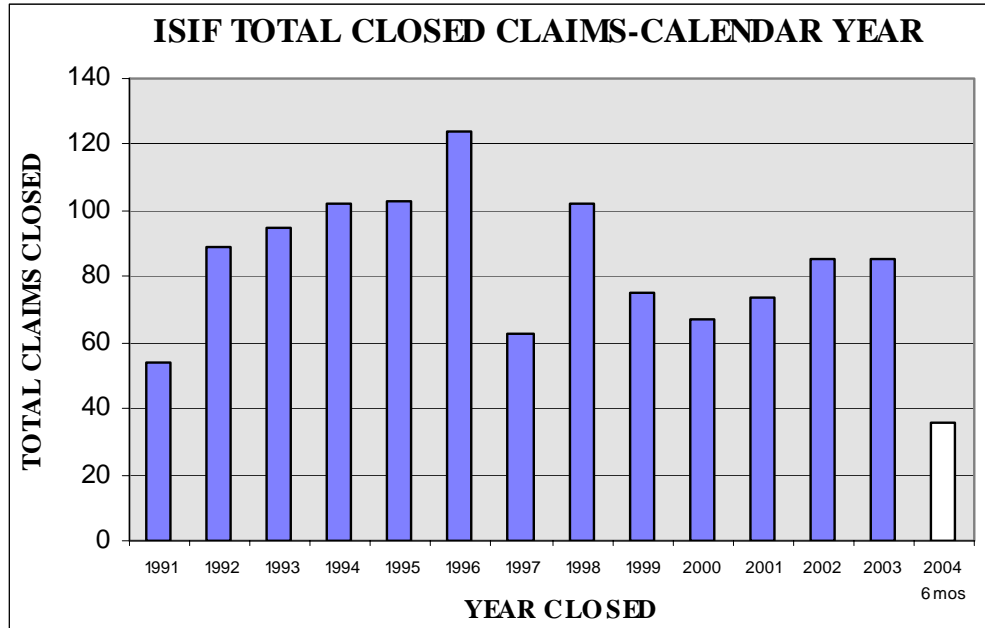
### *Adjudication*

Adjudicating claims seeking total and permanent disability benefits is a major function of the ISIF. The following claims information is based on calendar year statistics and includes new claim filings, closed claim results, and litigation cost breakdown.

New claim filings had stabilized over the last seven years, however in calendar year 2003, 109 new claims were filed either formally with a Complaint, or informally alleging ISIF liability. This nearly 60% increase in new claim filings is continuing in 2004. Forty-seven new claims were filed year to date 2004.



The Industrial Special Indemnity Fund is proactive in bringing claims to final adjudication. By adjudicating claims in a more proactive management style, litigation costs, liability exposure, and operational expenses are tied to the same time frames the claim liability was created. The passage of the "60 day" rule §72-334 has had significant impact in cost and closure rates.



Closed claims can be categorized by result or outcome using the following definitions:

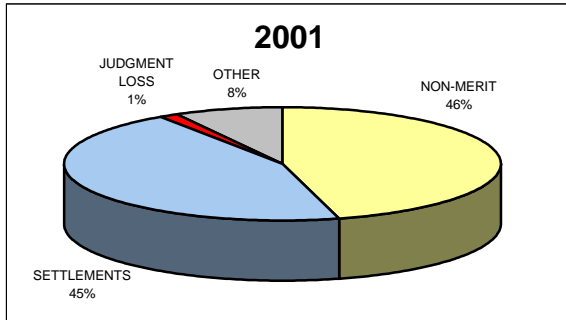
*Non-merit claims* - Includes dismissals without prejudice, dismissals with prejudice, judgment wins, and denied. With the exception of denials, which are in-house determinations, the remaining results are determinations by the Industrial Commission. Claims within these categories receive no monies or benefits.

*Settled claims*- Includes lump sum settlements and lump sum settlements with statutory benefits. The statutory benefits, with or without a lump sum, receive cash and periodic benefits while the lump sum settlements receive a one-time only cash amount.

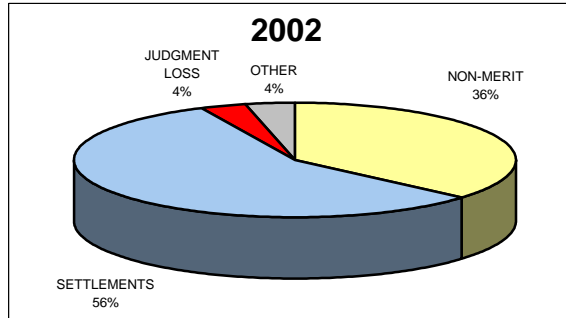
*Judgment loss* - Claims the ISIF has contested and found liable by decision of the Industrial Commission.

The following graphs illustrate the percentage share of each result or outcome classification to the total closed claims in a calendar year.

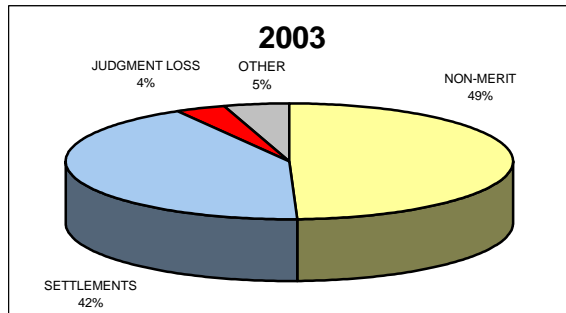
### CLOSED CLAIMS BY RESULT - CALENDAR YEAR



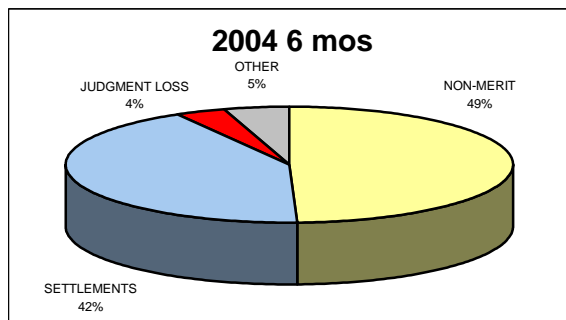
RESULT	Claims	%
NON-MERIT	34	46
SETTLEMENTS	33	45
JUDGMENT LOSS	1	1
OTHER	6	8
Total	74	100%



RESULT	Claims	%
NON-MERIT	31	36
SETTLEMENTS	48	56
JUDGMENT LOSS	3	4
OTHER	3	4
Total	85	100%



RESULT	Claims	%
NON-MERIT	42	49
SETTLEMENTS	36	45
JUDGMENT LOSS	3	3
OTHER	4	3
Total	85	100%



RESULT	Claims	%
NON-MERIT	12	49
SETTLEMENTS	23	45
JUDGMENT LOSS	1	3
OTHER	0	3
Total	36	100%

Historically the ISIF has either settled claims or has been found not to have liability in over 90% of the closed claims. Contested claims in which the ISIF was found liable account for 5 to 7 percent of total claim results or outcomes.

While the total number of ISIF claims fully adjudicated through the Industrial Commission hearing process may appear small in number, each claim represents a significant lifetime liability. Currently, a typical claimant receives approximately \$18,300 per year with annual increases for life. If the claimant is 50 years of age with life expectancy of 28 years, he or she represents a liability of approximately \$510,000 in present dollar value.

#### **IC AND SUPREME COURT DECISIONS**

YEAR	NO. OF IC DECISIONS	INVOLVING ISIF	SUPREME COURT DECISIONS	INVOLVING ISIF
1992	172	16	16	4
1993	133	10	20	4
1994	142	12	15	1
1995	113	13	16	4
1996	135	30	10	5
1997	144	20	16	6
1998	162	13	11	2
1999	124	15	9	1
2000	156	18	22	3
2001	115	11	12	4
2002	103	9	10	3
2003	104	7	6	3
2004 6 mos	51	4	2	0

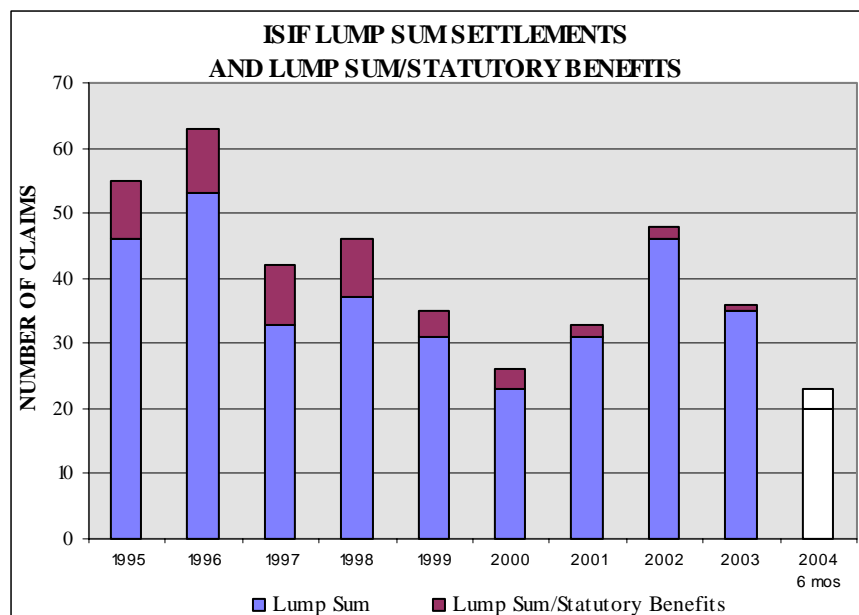
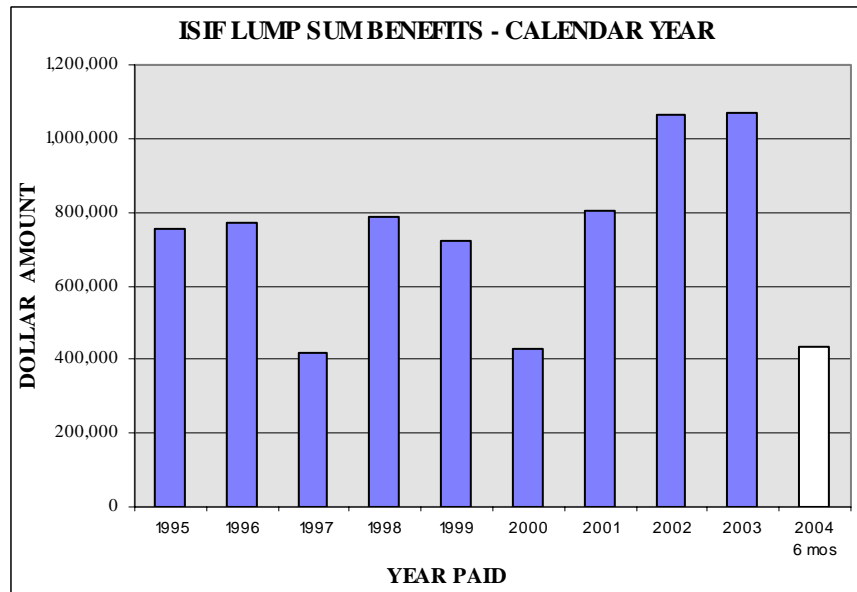
The ISIF has been involved in nearly 10% of the total Industrial Commission decisions on a calendar year to date basis. This indicates a high level of ISIF involvement in the state's workers' compensation system considering the relatively small number of ISIF claims.

The ISIF also shares in a significant percentage of Supreme Court decisions by calendar year. Although the ISIF has been involved as a party in numerous appeals, it seldom is the appellant party.

### ***Benefits Administration***

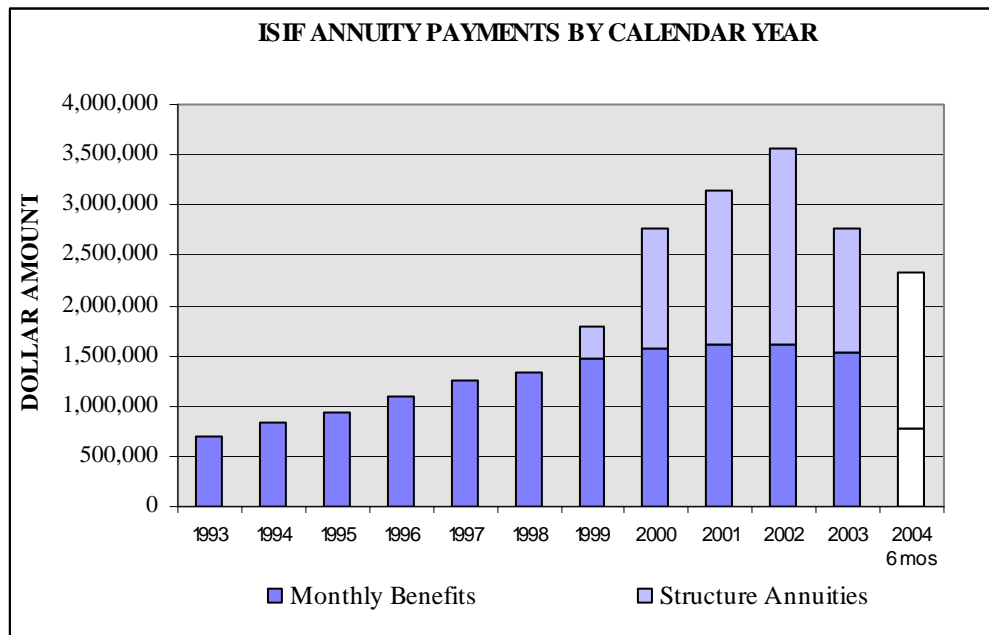
Settlement of a claim may be accomplished through a one time lump sum payment, periodic monthly benefits at a negotiated rate and time frame, or statutory monthly benefits prescribed by code and the Carey apportionment formula.

Over \$3.8 million was paid in benefits in calendar year 2003. This includes lump sum payments \$1,069,500, periodic monthly annuitant benefits \$1,572,774, and structured annuities \$1,228,821.



Monthly annuitant benefits were paid to approximately 118 annuitants in calendar year 2003. These benefits are periodic payments paid to claimants who have either entered into a settlement with the ISIF, or who have been awarded benefits through an Industrial Commission decision adverse to the ISIF.

The amount of benefit varies for each claimant depending on maximums and minimums, date of injury, and compromised terms of settlement. Most annuitant benefits are based at 45%, 60%, or 67% of the state average weekly wage, for year of benefit and after a differential time period. The benefits generally are for life.



Annuitants' annual benefit payments have risen dramatically since 1993. In large part, this is due to an increase in benefit rates, from 60% to 67% of the average state weekly wage commencing with injuries suffered on or after July 1, 1991. In addition, the state's average weekly wage has increased 43% since 1993 from \$373 to \$534.

The 118 annuitants currently receiving benefits represent unfunded liability that has accumulated over the life of the ISIF. Some annuitants started receiving lifetime benefits prior to 1971. In 1999 the ISIF began a systematic management plan to retire the accrued unfunded annuitant liability by purchasing structure annuities on select claims. A certain portion of the total annual annuitant benefit paid in subsequent years was for the retirement of claims through structure annuities. In order to address the unfunded liability, the ISIF required a stable and certain revenue stream which is now in place with the new assessment funding formula passed by the 1997 legislature, §72-327 and §72-328.

### ***Litigation Costs***

Litigation expense and time delays involved in litigation were a concern of the ISIF and were the precipitating factors in seeking the "60 day" legislation. The "60 day", or Notice of Intent, legislation passed in 1997 allows the ISIF 60 days in which to review and possibly settle claims without involving outside legal counsel. The legislation has permitted the ISIF to better manage litigation expense with in-house review prior to assigning the claim to outside legal counsel for adjudication. In addition, the proposal sought to bring speedier relief and a less litigious process to claimants, sureties, and self-insured employers. The average number of days a claim is in adjudication has dropped significantly. The "60 day" legislation is codified as §72-334.

Proactive management of claims has also contributed to the substantial overall decline in litigation costs from a high of nearly \$800,000 in 1995. In the past seven years the overall litigation cost savings is estimated at over \$2.5 million dollars.

<b>LITIGATION EXPENDITURES BY CALENDAR YEAR</b>										
<i>Litigation Expenditures</i>	<b>CY 95</b>	<b>CY 96</b>	<b>CY 97</b>	<b>CY 98</b>	<b>CY 99</b>	<b>CY 00</b>	<b>CY 01</b>	<b>CY 02</b>	<b>CY 03</b>	<b>CY 04 YTD</b>
Attorney Fees	\$604,145	\$510,957	\$491,182	\$364,655	\$362,907	\$312,949	\$319,270	\$198,341	\$243,801	\$160,944
Costs & Expenses	28,860	24,337	15,160	9,708	14,809	5,730	5,678	6,844	5,741	3,385
Medical & Vocational Reports	13,120	9,570	8,796	2,959	1,486	2,356	1,562	1,586	1,239	380
Deposition Costs	40,341	30,220	36,598	18,009	18,621	29,821	24,455	16,698	14,927	10,769
Investigations	26,635	15,228	17,355	5,656	10,457	7,425	8,709	8,905	18,278	1,040
Research or Briefs	121	-	39	-	-	392	-	-	-	-
Appeal Attorney Fees	32,159	32,472	26,482	35,179	19,000	42,301	28,747	13,513	5,976	10,100
Appeal Costs & Expenses	1,346	1,100	791	856	225	1,041	138	126	39	141
Medical Expense (IME)	16,824	12,084	8,021	10,238	9,714	20,550	1,230	10,147	600	650
Rehabilitation	22,675	35,213	34,741	12,790	17,357	19,822	11,708	10,135	9,362	4,575
Adjuster Expenses	2,645	1,691	2,071	2,136	843	1,867	3,840	11,623	17,406	9,372
Subrogation/Collection	-	28,972	-	-	-	-	-	-	-	-
<b>Total Litigation Expenditures</b>	<b>\$788,871</b>	<b>\$701,844</b>	<b>\$641,236</b>	<b>\$462,186</b>	<b>\$455,419</b>	<b>\$444,254</b>	<b>\$405,337</b>	<b>\$277,918</b>	<b>\$317,368</b>	<b>\$201,357</b>

It is especially noteworthy that simultaneous to the litigation savings, claims closure rates rose to an all-time high. In addition, non-merit result outcome categories remained consistent, indicating no liability sacrifice.

Litigation costs include all expenses incurred over the litigated life of the claim. The costs include attorney fees, deposition costs, independent medical examinations, sub-rosa investigations, and medical and vocational report costs.

### LITIGATION COSTS ASSOCIATED WITH NON-MERIT CLAIMS

Non-merit claims collectively refer to claims in which the ISIF was found not to have liability. These types of claims can generate high litigation costs, however, as they represent potential high liability exposure.

TOTAL LITIGATION COST BY RESULT OUTCOME								
	DIS W/O		DIS W/P		DENIED		JUDGE W	
	Number Claims	Litigation Cost	Number Claims	Litigation Cost	Number Claims	Litigation Cost	Number Claims	Litigation Cost
1995	21	108,818	1	2,929	11	6,374	4	58,350
1996	16	42,762	0	0	10	16,710	19	350,925
1997	6	22,195	0	0	7	195	7	169,624
1998	17	91,848	2	30,033	21	16,790	12	191,583
1999	8	46,441	0	0	12	14,320	12	192,003
2000	5	46,220	2	13,384	21	2,636	8	175,166
2001	4	28,206	1	7,313	19	1,466	9	161,758
2002	6	61,369	1	13,768	18	3,060	6	135,022
2003	2	2,643	1	259	35	14,007	2	38,194
TOTAL	85	\$450,502	8	\$67,686	154	\$75,558	79	\$1,472,625
AVERAGE CLAIM COST BY RESULT	\$5,300		\$8,461		\$491		\$18,641	
2004 YTD	0	\$0	2	\$13,674	6	\$4,106	4	\$71,204
AVERAGE CLAIM COST BY RESULT	\$0		\$6,837		\$684		\$17,801	

### LITIGATION COSTS ASSOCIATED WITH SETTLEMENT & JUDGMENT LOSS CLAIMS

TOTAL LITIGATION COST BY RESULT OUTCOME						
	LUMP SUM		LSS WITH STAT BEN		JUDGMENT LOSS	
	Number Claims	Litigation Cost	Number Claims	Litigation Cost	Number Claims	Litigation Cost
1995	47	210,418	10	97,099	2	49,872
1996	54	314,303	12	86,733	6	53,668
1997	32	237,894	7	25,676	2	28,676
1998	37	212,409	9	45,657	2	30,308
1999	31	111,326	4	33,085	3	82,207
2000	23	93,595	3	4,786	2	34,101
2001	31	193,216	2	5,347	1	11,870
2002	46	66,737	2	8,115	3	43,238
2003	35	106,178	1	984	3	40,499
TOTAL	336	\$1,546,076	50	\$307,481	24	\$374,439
AVERAGE CLAIM COST BY RESULT	\$4,601		\$6,150		\$15,602	
2004 YTD	20	\$54,488	3	\$11,524	1	\$16,829
AVERAGE CLAIM COST BY RESULT	\$2,724		\$3,841		\$16,829	

## ***Revenue and Expenditures***

ISIF revenue was dependent on a levy system for funding prior to July 1, 1997. The levy was a percent of certain paid benefits assessed on individual claims by the Industrial Commission when the claim was closed. The levy proved inadequate to provide the sustained revenue needs of the ISIF; due in large measure to the 1991 benefit increase from 60% to 67% and continued annual increases in the state's average weekly wage.

The prolonged inability of the levy system to generate adequate funding prompted the workers' compensation industry and the ISIF to draft legislation to change the funding method. As a result, the 1997 Idaho Legislature passed a new funding formula effective in fiscal year 1998, based on an annual assessment of two times the ISIF's fiscal year expenditures less cash available.

The assessment is paid semi-annually by sureties, self-insured employers and the State Insurance Fund on a pro-rata basis to total indemnity paid. The first assessments were received in April and September 1998. The new assessment funding is equitable, accountable, and creates certainty for sureties, self-insured and the State Insurance Fund. Without a change in the revenue funding, the ISIF would have been unable to satisfy its obligation early in 1998.

<b>ASSESSMENT TIME LINE</b>				
Assessment Date	Total Assessment	Indemnity Period	Due Date	Payment Amount
June 30, 1997	\$3,571,372	7-1-97 --> 12-31-97	Apr-98	\$1,785,686
		1-1-98 --> 6-30-98	Sep-98	\$1,785,686
June 30, 1998	\$5,324,511	7-1-98 --> 12-31-98	Apr-99	\$2,662,256
		1-1-99 --> 6-30-99	Sep-99	\$2,662,256
June 30, 1999	\$4,248,659	7-1-99 --> 12-31-99	Apr-00	\$2,124,330
		1-1-00 --> 6-30-00	Sep-00	\$2,124,330
June 30, 2000	\$4,685,633	7-1-00 --> 12-31-00	Apr-01	\$2,342,817
		1-1-01 --> 6-30-01	Sep-01	\$2,342,817
June 30, 2001	\$5,431,738	7-1-01 --> 12-31-01	Apr-02	\$2,715,869
		1-1-02 --> 6-30-02	Sep-02	\$2,715,869
June 30, 2002	\$4,564,490	7-1-02 --> 12-31-02	Apr-03	\$2,282,245
		1-1-03 --> 6-30-03	Sep-03	\$2,282,245
June 30, 2003	\$4,597,470	7-1-03 --> 12-31-03	Apr-04	\$2,298,735
		1-1-04 --> 6-30-04	Sep-04	\$2,298,735
June 30, 2004	\$4,212,987	7-1-04 --> 12-31-04	Apr-05	\$2,106,494
		1-1-05 --> 6-30-05	Sep-05	\$2,106,494

In 2001, Idaho employers paid \$261,547,439 in workers' compensation premiums. The National Council on Compensation Insurance (NCCI) allows insurance companies to bill employers a percent of premium to fund ISIF liability. The ISIF assessment to self-insured employers and workers' compensation carriers in 2002 was \$4.5 million.

ISIF expenditures are broken into three main areas: administrative, benefits and litigation. Administrative costs include salaries for three full time employees and general office expenses such as technical services, rent, supplies, and capital outlay.

Benefit expenses include periodic annuitant payments, lump sum settlements and structured annuities. These expenses have continued to rise due mainly to the number of annuitants, the increased state average weekly wage and the retirement of unfunded liability through structure annuities.

Litigation costs include attorney fees and costs, medical and vocation reports, deposition costs, investigative costs, appeal expenses, independent medical examinations, and rehabilitation and adjuster expenses. Litigation expense rose substantially to a peak in FY 1996 of nearly \$800,000 largely due to the increases in new claim filings and the costs associated with the Complaint process. Since the implementation in 1997 of §72-334, the “60 day” rule, the percentage of litigation costs to total expenditures has substantially decreased from 26% of the total expenditures in 1997 to 7% in 2003.

### Revenue-Expenditure Calendar Year

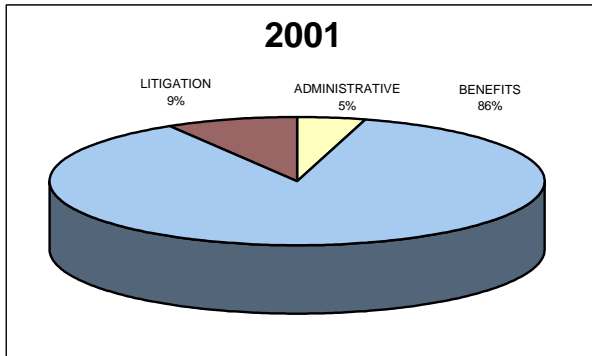
<b>Revenue</b>	<b>1996</b>	<b>1997</b>	<b>1998</b>	<b>1999</b>	<b>2000</b>	<b>2001</b>	<b>2002</b>	<b>2003</b>	<b>2004 6 mos</b>
Beginning Cash Available	\$1,712,552	\$1,373,002	\$933,170	\$1,055,895	\$3,470,733	\$4,175,749	\$4,600,299	\$5,564,454	\$5,874,689
Levy/Interest	2,388,108	2,055,724	55,524	-	-	-	-	-	-
Assessment/Interest	-	-	2,903,710	5,651,919	4,564,769	5,093,046	6,101,231	4,739,081	2,477,125
<b>TOTAL CASH AVAILABLE</b>	<b>\$4,100,660</b>	<b>\$3,428,726</b>	<b>\$3,892,404</b>	<b>\$6,707,814</b>	<b>\$8,035,502</b>	<b>\$9,268,795</b>	<b>\$10,701,530</b>	<b>\$10,303,535</b>	<b>\$8,351,813</b>
<b>Expenditure</b>	<b>1996</b>	<b>1997</b>	<b>1998</b>	<b>1999</b>	<b>2000</b>	<b>2001</b>	<b>2002</b>	<b>2003</b>	<b>2004 6 mos</b>
Administrative	\$160,102	\$172,064	\$170,654	\$207,096	\$183,546	\$213,051	\$230,819	\$240,383	\$111,690
Benefits									
Structure annuities	-	-	-	304,846	1,201,362	1,532,777	1,946,620	1,228,821	1,551,933
Monthly annuitant	1,093,395	1,262,827	1,416,422	1,549,459	1,599,605	1,714,331	1,618,217	1,572,775	826,493
Lump Sum Settlements	772,332	419,434	787,250	720,261	430,989	803,000	1,063,500	1,069,500	433,000
Litigation	672,872	641,231	462,182	455,419	444,251	405,337	277,919	317,368	201,357
Levy Refund	28,972	-	-	-	-	-	-	-	-
<b>TOTAL EXPENDITURES</b>	<b>\$2,727,673</b>	<b>\$2,495,555</b>	<b>\$2,836,508</b>	<b>\$3,237,082</b>	<b>\$3,859,753</b>	<b>\$4,668,496</b>	<b>\$5,137,076</b>	<b>\$4,428,847</b>	<b>\$3,124,473</b>
Encumbered	-	\$9,914	-	\$1,051	-	-	-	-	-
<b>Year</b>	<b>1996</b>	<b>1997</b>	<b>1998</b>	<b>1999</b>	<b>2000</b>	<b>2001</b>	<b>2002</b>	<b>2003</b>	<b>2004 6 mos</b>
<b>ENDING CASH BALANCE</b>	<b>\$1,372,987</b>	<b>\$933,171</b>	<b>\$1,055,896</b>	<b>\$3,470,732</b>	<b>\$4,175,749</b>	<b>\$4,600,299</b>	<b>\$5,564,454</b>	<b>\$5,874,689</b>	<b>\$5,227,340</b>

### Revenue-Expenditure Fiscal Year

<b>Revenue</b>	<b>1996</b>	<b>1997</b>	<b>1998</b>	<b>1999</b>	<b>2000</b>	<b>2001</b>	<b>2002</b>	<b>2003</b>	<b>2004</b>
Beginning Cash Available	\$1,878,413	\$1,592,656	\$1,303,876	\$504,787	\$2,085,994	\$3,218,756	\$3,547,992	\$4,613,314	\$5,208,312
Levy/Interest	2,442,380	2,148,845	2,115,560	-	-	-	-	-	-
Assessment/Interest	-	-	-	4,746,957	5,084,957	4,819,101	5,654,224	5,497,889	4,739,191
<b>TOTAL CASH AVAILABLE</b>	<b>\$4,320,793</b>	<b>\$3,741,501</b>	<b>\$3,419,436</b>	<b>\$5,251,744</b>	<b>\$7,170,951</b>	<b>\$8,037,857</b>	<b>\$9,202,216</b>	<b>\$10,111,203</b>	<b>\$9,947,503</b>
<b>Expenditure</b>	<b>1996</b>	<b>1997</b>	<b>1998</b>	<b>1999</b>	<b>2000</b>	<b>2001</b>	<b>2002</b>	<b>2003</b>	<b>2004</b>
Administrative	\$174,412	\$157,521	\$165,830	\$175,707	\$193,239	\$206,561	\$225,045	\$237,526	\$227,304
Benefits									
Structure annuities	-	-	-	304,846	1,201,362	1,532,777	1,448,351	1,727,090	1,551,933
Monthly annuitant	1,008,496	1,147,808	1,382,583	1,484,824	1,595,500	1,683,611	1,625,336	1,563,608	1,616,720
Lump Sum Settlements	756,832	541,850	789,834	721,500	520,750	608,500	971,500	1,080,000	943,000
Litigation	788,548	590,446	566,488	478,874	441,342	458,416	318,670	294,666	381,205
<b>TOTAL EXPENDITURES</b>	<b>\$2,728,288</b>	<b>\$2,437,625</b>	<b>\$2,904,735</b>	<b>\$3,165,750</b>	<b>\$3,952,194</b>	<b>\$4,489,865</b>	<b>\$4,588,902</b>	<b>\$4,902,891</b>	<b>\$4,720,163</b>
Encumbered	-	\$9,914	-	\$1,051	-	-	-	-	-
<b>Year</b>	<b>1996</b>	<b>1997</b>	<b>1998</b>	<b>1999</b>	<b>2000</b>	<b>2001</b>	<b>2002</b>	<b>2003</b>	<b>2004</b>
<b>ENDING CASH BALANCE</b>	<b>\$1,592,506</b>	<b>\$1,303,876</b>	<b>\$504,787</b>	<b>\$2,085,994</b>	<b>\$3,218,756</b>	<b>\$3,547,992</b>	<b>\$4,613,314</b>	<b>\$5,208,312</b>	<b>\$5,227,340</b>

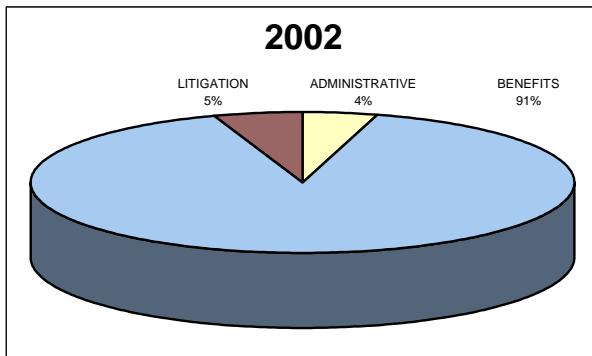
ISIF expenditures in administration, benefits and litigation are illustrated by calendar years in the following graphs.

## EXPENDITURES BY PERCENTAGE OF TOTAL



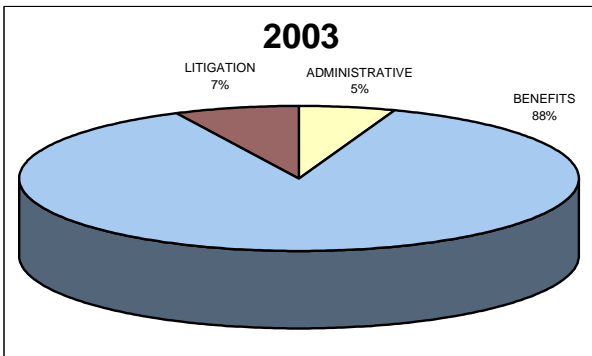
### 2001 Calendar Year Expenditures

ADMINISTRATIVE	\$ 213,051
BENEFITS	\$ 4,050,107
LITIGATION	\$ 405,337
<b>TOTAL</b>	<b>\$ 4,668,496</b>



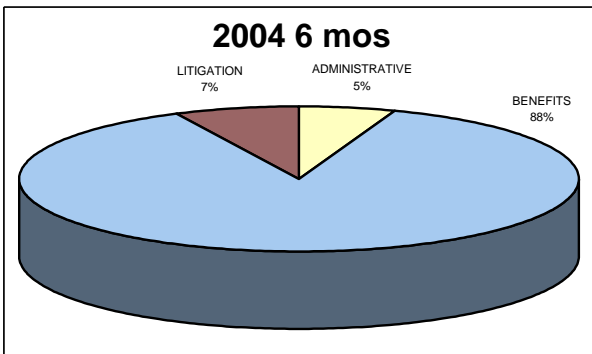
### 2002 Calendar Year Expenditures

ADMINISTRATIVE	\$ 230,819
BENEFITS	\$ 4,628,337
LITIGATION	\$ 277,919
<b>TOTAL</b>	<b>\$ 5,137,076</b>



### 2003 Calendar Year Expenditures

ADMINISTRATIVE	\$ 240,383
BENEFITS	\$ 3,871,096
LITIGATION	\$ 317,368
<b>TOTAL</b>	<b>\$ 4,428,847</b>



### 2004 Calendar Year Expenditures- 6 mos

ADMINISTRATIVE	\$ 111,690
BENEFITS	\$ 2,811,426
LITIGATION	\$ 201,357
<b>TOTAL</b>	<b>\$ 3,124,473</b>